



April 8, 2005

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

via electronic filing

Re: American Cable Association Petition for Rulemaking, RM-11203

Dear Ms. Dortch:

I am writing to you to express Western Broadband, LLC's strong support for the American Cable Association's petition for rulemaking on retransmission consent. Our company serves 10,000 customers in Arizona and the petition accurately portrays the upcoming retransmission consent crisis. Broadcasters in our area including Meredith, Belo, Scripps, Raycom and Clear Channel have made it clear that they will force us to charge our subscribers more per month for basic cable to cover their new demands of cash for carriage.

Even more difficult for our company and our customers is the fact that 95% of our patrons are retirees and many are on fixed incomes. For this reason, the cash for carriage demands may cause customers to actually lose service if they cannot afford the price increases that will be needed to defray the cash demands of the broadcasters. ACA's solution to this problem is pro-competition, pro-consumer, and deregulatory and should be embraced and possibly expanded because it reflects the true market conditions that now face cable companies and consumers. In short, the ACA plan will help consumers by providing choice and by keeping down the costs of basic cable.

Western Broadband, LLC is located in Sun Lakes, Arizona. We have 10,000 cable customers and 16 employees. We serve the retirement communities of Sun Lakes, SunBird and SaddleBrooke, AZ. About 75% of our customers are permanent residents with the rest coming for the warm winter season. Over the past year we have spent millions of dollars to upgrade our system to 750 mhz, so that we can provide advanced services like high speed internet access.

In making our investment, we have always had to be cautious about cost since we know that we must hold prices down to maintain the subscriber base of retirees. In the mean time, we have experienced increased competition from satellite dishes and have seen our television channel costs rise over 15% per year



because of the quasi-monopolistic programming market. These factors are making it very difficult to compete and provide low prices. If we are forced by broadcasters (who now enjoy a regulatory monopoly) to pay for carriage, our challenge will become even greater. I am afraid that it will be necessary to increase prices which will hurt our customers and our business. Even worse, my customers will be fuming mad when they are told that their rates went up because the broadcasters have a regulatory monopoly and that the FCC did nothing to stop this travesty.

I think the whole retransmission paradigm is outdated and no longer needed. It served the purpose of checking a cable operator's power when cable operators were the only distributor in town, but this is no longer the case. Now the system just serves to give broadcasters a regulatory monopoly to extract monopolist profits from consumers.

While I think the ACA petition should go further, it at least would give us the right to shop for another network when a broadcaster demands cash for retransmission consent. Basically, the ACA petition reintroduces competition to the local broadcast market and competition always seems to help to provide real market based solutions. The problem is one of a regulatory monopoly that should never have existed. So local broadcasters asking for money is really not the problem. The real problem is the fact that the broadcasters now use retransmission consent to block our ability to buy the same programming elsewhere at a lower price.

Finally, I want the Commission to know that we support local broadcasting and prefer to carry our local broadcasters. We currently provide an even more localized Channel 49 that is programmed by community members. We understand the importance of local programming, but we also understand how much our customers are willing to pay for it. The problem is the higher prices being demanded by more and more owners of these stations. Most often the owners are based in corporate headquarters hundreds or thousands of miles away. Frankly, they don't care about localism. They just want our customers' money.

In closing, I truly believe that the current retransmission consent paradigm must change. The current system is patently unfair to business and consumers and has turned into a scheme to allow local broadcasters to extract monopoly profits from consumers. Bottom line, our customers can't afford a delay. Please act on the ACA's Petition ASAP.

Sincerely,

_____/s/____



Neal Schnog
Chief Executive Officer